

FY 2022-23 Tentative Budget

**Board of Trustees Meeting
June 13, 2022**



Iris Ingram, Vice Chancellor, Business Services

Update Since May Revise

- Senate and Assembly reached agreement on State budget on June 1
- Does NOT reflect any agreement with the Newsom administration which is still to be negotiated
- No legislative Conference Committee required to resolve differences between Senate and Assembly versions
- If no agreement with Governor by June 15, legal deadline still met per State constitutional requirements
- Actual budget language will be contained in subsequent trailer bills
- Final numbers will be contained in **ADOPTED BUDGET** (September BOT meeting)

Changes Per May Revise & **Legislative Action**

- Overall funding to increase by \$2B
- \$493 million for a cost-of-living adjustment (COLA) of 6.56%
 - Largest increase for community colleges in nearly 40 years.
- Increase of ~~\$375~~ million (**\$700M**), with \$250 million ongoing to increase SCFF rates
 - \$125 million ongoing for a basic allocation to recognize districts' growing digital footprint.
- Establishes 2024-25 as the funding floor (“Hold Harmless”)
 - preventing districts from falling below that level in future years and allowing gains to be actualized through the SCFF moving forward
- One Time Block Grant of ~~\$750~~ million (**\$550M**)
 - COVID-related issues
 - Pay down GO bond obligations (Prop 51) and avoid future interest costs
- \$25 million ongoing increase for Student Equity and Achievement
 - support campus climate
 - advance student equity efforts.
- ~~\$1.5~~ billion (**\$800M**) for Deferred Maintenance to reduce district backlogs

Con't -Changes Per May Revise & Legislative Action

- **\$192M for Cal Grant Program**
 - Increase to non-tuition awards to Cal Grant B and C students
 - \$315M in FY 2024-25 for Cal Grant 2 and Cal Grant 4 programs
- **\$227M for Middle Class Scholarship Program**
- **\$2B (over three years) for student housing programs for UC, CSU & CCC**
- No proposed relief for increases in STRS/PERS employer contributions

2022-23 Budget Assumptions

* <u>New Revenues</u>	Ongoing Only	One-Time
A Student Centered Funding Formula		
B Projected COLA of 6.56%	\$12,050,879	
B Projected SCFF Base Increase	\$0	
B Growth	\$0	
B Deficit Factor (2%) - additional	(\$241,018)	
D Unrestricted Lottery	\$58,532	
H Mandates Block Grant	\$0	
I Non-Resident Tuition	(\$200,000)	
J Interest Earnings	(\$200,000)	
L Apprenticeship - SCC	\$0	
EGK Misc Income	\$0	
N Full-time Faculty Allocation	\$1,061,300	\$959,203 ²
Total	\$12,529,693	\$959,203

<u>New Expenditures</u>		
B Salary Schedule Increases/Collective Bargaining **	\$8,079,036	
C Step/Column	\$1,818,921	
D Health and Welfare/Benefits Increase (3.5%) - Active	\$572,100	
D Health and Welfare/Benefits - Retirees	\$0	
D CalSTRS Increase	\$1,657,561	
D CalPERS Increase	\$1,010,356	
D State Unemployment (.05% to .50%)	\$521,844	
E Full Time Faculty Obligation Hires	\$1,617,650	
E/F Hourly Faculty Budgets (Match Budget to Actual Expense)	(\$556,350)	
G Decreased Cost of Retiree Health Benefit	(\$2,375,792)	
H Capital Outlay/Scheduled Maintenance Contribution	\$0	
I Utilities Increase	\$100,000	
J ITS Licensing/Contract Escalation Cost	\$125,000	
K Property, Liability and All Risks Insurance	\$0	
ILL Apprenticeship - SCC	\$0	
L Other Additional DS/Institutional Costs	\$512,103	
M SCC ADA Settlement Costs	\$0	\$2,000,000
Total	\$13,082,429	\$2,000,000

2022/23 Budget Year Unallocated (Deficit)	(\$552,736)
2021/22 Structural Unallocated (Deficit)	(\$2,361,566)
Total Est. Unallocated (Deficit)	(\$2,914,302) ¹

<u>SRP Savings/Rightsizing Recap</u>	
Beginning Balance 7/1/21 SRP Savings	\$3,433,866
Estimate SRP Savings FY 2021/22	\$4,128,645
One-time Faculty Hiring	\$2,020,503
Estimate Ending Balance 6/30/22	\$9,583,014
Total Est. Unallocated (Deficit) FY 2022/23	(\$2,914,302) ¹
SRP Estimated Savings FY 2022/23	\$5,509,375
FON Penalty (18 x \$86,771)	(\$1,561,878)
FY 2022/23 One-time Full-time Faculty Allocation	\$959,203 ²
Estimate Ending Balance 6/30/23	\$11,575,412

* Reference to budget assumption number

** 5.00% for FARSCCD/CSEA/CEFA/Management set aside

